

**UNEMPLOYMENT  
INSURANCE  
AGENCY**

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## 2011 CHANGES THAT AFFECT TAX RATES

### Amendments to Tax Rate Tables

Public Act 269 of 2011 added 2 new tax rate tables to the Michigan Employment Security Act (Act) which will gradually, by 2013, modify the definition of a fully-experienced employer to one who has been liable for 3 years or more, instead of 5.

These tables are separated by employer type. Tables A, A-1, and A-2 are for non-construction employers and Tables B, B-1, and B-2 are for construction employers, as defined in Section 19(a)(1)(ii) of the Act.

For an employer that was a contributing employer **before January 1, 2012** and did not convert from a reimbursing to a contributing employer on or after January 1, 2012, the following tables apply:

Table A – Non-construction Employers	
Year of Contribution Liability	Contribution Rate
1	2.7%
2	2.7%
3	1/3 (Chargeable Benefits Component) + 1.8%
4	2/3 (Chargeable Benefits Component) + 1.0%
5 and over	Chargeable Benefits Component (CBC) + Accounts Building Component (ABC) + Nonchargeable Benefits Component (NBC)

Table B – Construction Employers	
Year of Contribution Liability	Contribution Rate
1	Average Construction Contractor Rate
2	Average Construction Contractor Rate
3	1/3 (CBC) + 2/3 Average Construction Contractor Rate
4	2/3 (CBC) + 1/3 Average Construction Contractor Rate
5 and over	CBC + ABC + NBC

For an employer that becomes a contributing employer **on or after January 1, 2012 and before January 1, 2013**, the following tables apply:

Table A-1 – Non-construction Employers	
Year of Contribution Liability	Contribution Rate
1	2.7%
2	2.7% + 1/3 (Chargeable Benefits Component)
3	2.7% + 2/3 (Chargeable Benefits Component)
4 and over	CBC + ABC + NBC

Table B-1 – Construction Employers	
Year of Contribution Liability	Contribution Rate
1	Average Construction Contractor Rate
2	1/3(CBC) + Average Construction Contractor Rate
3	2/3(CBC) + Average Construction Contractor Rate
4 and over	CBC + ABC + NBC

For an employer that becomes a contributing employer **on or after January 1, 2013**, the following tables apply:

Table A-2 – Non-construction Employers	
Year of Contribution Liability	Contribution Rate
1	2.7% + 1/3 (Chargeable Benefits Component)
2	2.7% + 2/3 (Chargeable Benefits Component)
3 and over	CBC + ABC + NBC

Continued on Reverse

Table B-2 – Construction Employers	
Year of Contribution Liability	Contribution Rate
1	1/3 (CBC) + Average Construction Contractor Rate
2	2/3 (CBC) + Average Construction Contractor Rate
3 and over	CBC + ABC + NBC

### Changes to the Look Back Period to Determine the Chargeable Benefits Component (CBC) for all Contributing Employers

In 2012, the time period used to calculate the CBC was changed from 60-months (5 years) to 48-months (4 years). In 2013, and years to follow, the time period will be 36 months (3 years). In the future, the look back period, to determine the CBC, will remain at 3 years, as provided in Section 19(a)(3)(i) of the Act:

For calendar years beginning **before** January 1, 2012:  $\frac{\text{60-months benefit charges}}{\text{60-months taxable wages}}$

For the calendar year **2012**:  $\frac{\text{48-months benefit charges}}{\text{48-months taxable wages}}$

For each calendar year beginning **on or after** January 1, 2013:  $\frac{\text{36-months benefit charges}}{\text{36-months taxable wages}}$

**Note:** Beginning in 2012, all tax rates include an Obligation Assessment. For more information on the Obligation Assessment and how it is calculated, please see Fact Sheet 146, Bonding Obligation Assessment on the UIA website at:

[http://www.michigan.gov/uia/0,4680,7-118-26898\\_27193-268893--,00.html](http://www.michigan.gov/uia/0,4680,7-118-26898_27193-268893--,00.html)

For more information about the New Tax Rate Tables, employers may call the UIA Office of Employer Ombudsman (OEO) at either 1-855-484-2636 (4-UIAOEO) or 1-313-456-2300, or email [OEO@michigan.gov](mailto:OEO@michigan.gov).

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